

USDA'S KEY PRIORITIES FOR THE FOOD & AGRICULTURE SECTOR

VENEMAN ANNOUNCES RISK MANAGEMENT INITIATIVE TO ENSURE STRONG PROGRAMS TO ASSIST AMERICA'S FARMERS & RANCHERS

At USDA's Agricultural Outlook Forum 2003, Secretary Veneman announced the Bush Administration's key priorities for the Food and Agriculture sector of the economy.

As agriculture looks to the future, several critical areas are important to examine closely in order to help shape the future of the industry. Some of the Administration's priorities include:

- ☑ ***Applying technology*** to its fullest potential, advancing alternative uses for agricultural products and adopting a forward-looking regulatory system that ensures the integrity of technology advancements in food and agriculture;
- ☑ ***Strengthening the nation's food safety systems*** and ensuring the protection of the food supply against potential bioterrorism threats;
- ☑ ***Improving and expanding risk management*** tools for producers to better prepare the agriculture sector when it faces difficult and challenging times; and
- ☑ ***Continuing to expand and open new international markets*** and working harder to educate all involved about the perils to agriculture if progress is not made in this area.



"Our world is in constant change, and so is the world of agriculture. When you examine where agriculture has come in a relatively short time, the pace of that change is remarkable. But some issues that have confronted America's farm sector are still challenges today and will continue to be so in the coming years." *Secretary Ann M. Veneman – February 17, 2003*

PRIORITIES TO POSITIVELY IMPACT AMERICAN AGRICULTURE

The following are excerpted areas from Secretary Veneman's remarks to the Agricultural Outlook Forum on some of the key areas of focus for USDA in the coming years:

Technology and Biotechnology

The Administration believes that failure to regulate effectively could undermine consumer confidence, cost farmers valuable markets – both domestic and export – and delay the enormous public and private benefits to be reaped from applying biotechnology to food and nonfood uses.

- Veneman announced the formation of an interagency team and directed the group to thoroughly review current regulations pertaining to all aspects of biotechnology, particularly those that may be required for new pharmaceutical and industrial crops. A top priority of the group is to strengthen coordination with FDA and EPA to ensure there are no gaps in the regulatory infrastructure.
- Veneman also announced that USDA will convene an international science and technology conference to bring agriculture, environment and science ministers together from around the world to discuss and showcase agriculture-related technologies. The conference will be held June 22-25 in Sacramento, CA.

Delivering Safe Food

The President believes that competing successfully in the future also hinges on the safety of our food supply. The Administration proposed record funding for meat and poultry food safety programs as well as funding increases to strengthen agricultural protection systems. USDA's food safety budget, if approved by the Congress, will reflect a 20 percent increase since this Administration has been in office. While the Administration believes that this is good progress, food safety is also about science and utilizing that science to develop better policies and stronger systems to protect the food supply and consumers.

- Veneman announced that USDA has declared a "war on pathogens." USDA is examining current policies, investing in new research and technology and more advanced training programs to ensure our programs meet the challenges of the new Century.
- Veneman also said a close reexamination of the nation's agricultural infrastructure programs - from farm to table - is necessary to ensure the continued protection of the food supply from potential bioterrorism threats. These programs cannot be simply looked at on a year-by-year basis. Funding priorities should be part of America's permanent infrastructure - part of long-term policy planning and funding - and the agriculture community should become more proactive in helping to make sure they become part of mandatory spending in future years.

Managing Risks On the Farm

The Administration believes another key to success in the 21st Century is having effective, market based risk management tools for producers. The foundation of the nation's risk management program is crop insurance. Following passage of the Agricultural Risk Protection Act of 2000, USDA implemented program reforms that spurred participation. Today, nearly 80 percent of eligible acreage is covered, compared with only 69 percent in 1998. Over 50 percent of the insured acreage is now insured at a 70 percent or higher level of coverage, compared with only 9 percent in 1998.

- Despite such progress, USDA wants to strengthen our crop insurance program and improve risk management tools, generally. Our goals are to ensure widely available and effective risk management tools for our diverse farm sector, for farmers and stakeholders to be well informed, that the delivery system is fair and effective, the programs are operated with integrity, and that we excel at service to the nation's producers.

- To achieve these objectives, the Risk Management Agency will undertake a major initiative in 2003 to identify the underserved producers and closely examine the regions, commodities and risks and then prioritize the development of new products to fill the gaps identified. Priorities of this initiative include:
 - Examining the need to serve the livestock industry, including forage and range coverage;
 - Addressing concerns with coverage in regions facing multiyear droughts;
 - Simplifying and improving the effectiveness of various insurance products; and
 - Reviewing various RMA authorities to ensure the soundness of the delivery system and effective oversight of the insurance industry.
- Veneman also announced an effort to make crop insurance more affordable and encourage smaller and specialty crop producers in underserved states to try new insurance products.

Opening Global Markets Through Trade and Development

The Administration also believes that another component that will help ensure our competitiveness in the 21st Century is to maintain and increase access to international markets, enhance worldwide economic development, and stimulate world prosperity."

- Veneman said that trade and trade agreements have brought significant benefits to U.S. agriculture. For example, U.S. exports to its NAFTA partners have grown 76 percent during the past 10 years, while exports to the rest of the world grew 12 percent.
- Veneman said that this year will be a critical one for advancing the U.S. trade agenda with WTO negotiations entering a crucial phase, while negotiations continue on creation of a Free Trade Area for the Americas (FTAA) and other bilateral agreements.



Competing in the 21st Century means above all that we must be prepared to address the challenges and take advantage of the opportunities in the ever-changing marketplace. Our ability to take advantage of opportunities on a number of fronts will determine whether we reap the benefits of the 21st Century marketplace.

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